

**Notice of Business Succession from Weil (brand name: Bachmann)
to portfolio company PAPABUBBLE JAPAN HD**

JAFCO Group Co., Ltd. (Headquarters: Minato-ku, Tokyo; Keisuke Miyoshi, President&CEO) hereby announces that PAPABUBBLE JAPAN HD (hereafter “PAPABUBBLE”), a portfolio company of JAFCO Group-managed funds (JAFCO SV5 Investment Limited Partnership and JAFCO SV5-STAR Investment Limited Partnership; hereafter collectively referred to as “JAFCO”), has succeeded the business of Weil (Headquarters: Hiratsuka, Kanagawa Prefecture; Representative Director: Yoshiko Otani; Brand name: “Bachmann”; hereafter “Bachmann”).

**PAPABUBBLE Succeeds Business of Bachmann,
Authentic Swiss Confectionery Shop**

Business portfolio strengthening unshaken by COVID-19



**PAPABUBBLE
& JAFCO**

A long-established confectionery shop that conveys the authentic European taste

Bachmann, which has conveyed the authentic European taste in Shonan Hiratsuka for over 45 years, is the only store outside of Switzerland that has been allowed to share the goodwill of Conditorei Bachmann, a long-established and popular Swiss bakery founded in 1897.

Its sweets that recreate the authentic European taste have been well received by customers, especially those who have traveled to Europe, and become very popular to date.

Its main product is Baumkuchen, which has won numerous awards, including a gold medal at the World Confectionary Exposition, a DLG gold prize from German Agricultural Society, the first prize in the Baumkuchen category of BRUTUS' "handmade souvenir" ranking, and ranked third in the “NIKKEI Plus 1: Ranking Anything.”

Bachmann also offers a variety of Swiss-German sweets, including Engadiner Nusstorte, which

For more information, please contact
pr@jafco.co.jp, JAFCO Group Co., Ltd.

has won a DLG gold prize from German Agricultural Society, and unique Japanese products, including a black bean pound cake, which is a Kanagawa Prefecture-designated confection, and a sable made with rose petals, which has been selected as a recommended tourist souvenir by the Japan Federation of Gifts and Souvenirs.

Bachmann joined the PAPABUBBLE Group to sustain the precious Bachmann brand and allow Japanese people to continue enjoying its flavor for the next 50 to 100 years.

Three Operational Benefits from Business Succession

With the succession of the Bachmann business, which follows the succession of the Villon and sLier confectionery businesses, the PAPABUBBLE Group will realize the following operational benefits.

1. A business portfolio resilient to economic ups and downs

The PAPABUBBLE brand, whose main focus has been on gift products and in-store sales at department stores and large commercial facilities, was hit to a certain extent by the COVID-19 pandemic. On the other hand, sales of VILLON and sLier products grew even amid the pandemic due to strong home-consumption demand mainly in residential areas to enjoy “luxury at home.”

With the Bachmann brand, which has acquired deep-rooted popularity in the local Hiratsuka area, the PAPABUBBLE Group will further enhance its business portfolio capable of responding to changes in market conditions stemming from future pandemics and other unpredictable events.

2. Further improvement of production techniques and training of artisans

Bachmann has a rare hand-baked Baumkuchen production technique. By mutually sharing production techniques with VILLON, which has joined the PAPABUBBLE Group earlier, the Group will further improve its confectionery production techniques and develop unrivaled, high-quality products and a group of artisans.

The Group will also boost sales and profitability by expanding its group of artisans and increasing the production capacity.

3. Stronger marketing and procurement functions

The PAPABUBBLE Group will leverage its expertise in new store development, events, branding, marketing, and e-commerce, which it gained through the operation of PAPABUBBLE stores, to achieve sales growth of its group brands. It will also pursue the benefits of cost reduction by integrating procurement functions.

In addition to the above operational benefits, the Group will ensure a workplace where each and every employee can fully exert one’s ability by implementing job rotation and training of talented

artisans, who form the foundation of the confectionery business, and creating stable employment, and in turn, offer better products and services to its customers.

The PAPABUBBLE Group will continue to actively promote M&A of confectionery brands that it wants to sustain and nurture over 50 to 100 years to come.

About Weil (Bachmann)

| | |
|----------------------|---|
| Website | https://bachmann.jp/ (Japanese only) |
| Location | 24-28 Yaezakicho, Hiratsuka, Kanagawa |
| Business Description | Conditorei Bachmann was founded in 1976 by the first owner/chef Takashi Watanabe. It is the only store outside of Switzerland that has been allowed to share the goodwill of Conditorei Bachmann, a long-established popular Swiss bakery founded in 1897. Inheriting the recipes and passion for making sweets that Mr. Watanabe cultivated in Europe, it continues to deliver the taste of European sweets from Shonan Hiratsuka. |

About PPPABUBBLE JAPAN HD, PAPABUBBLE JAPAN INC.

| | |
|----------------------|--|
| Company name | PAPABUBBLE JAPAN HD is a holding company for PAPABUBBLE JAPAN INC. |
| Website | https://www.papabubble.jp/ |
| Location | 1-15-13 Arai, Nakano-ku, Tokyo |
| Business Description | Founded in Barcelona in 2003. Rapidly expanded its operations to 30 cities worldwide through its entertaining and exciting sweets offerings. It continues to pursue the goal of becoming “the most amusing sweets store in the world” by creating and transmitting playful sweets. |

About JAFCO Group Co., Ltd.

| | |
|----------------------|--|
| Company name | JAFCO Group Co., Ltd. |
| Website | https://www.jafco.co.jp/english |
| Location | 24F Toranomom Hills Mori Tower, 1-23-1 Toranomom, Minato-ku, Tokyo |
| Business Description | Largest venture capital firm in Japan with over 1,000 portfolio IPOs. Also experiences of over 20 years in buyout investment and over 30 years in overseas venture investment. |